

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION

Financial Report

For the Year Ended June 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

1/5/11



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NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION

Financial Report

For the Year Ended June 30, 2010

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INDEPENDENT AUDITOR'S REPORT

Board of Directors Nicholls State University Alumni Federation

We have audited the accompanying statement of assets and net assets – modified cash basis of the Nicholls State University Alumni Federation as of June 30, 2010, and the related statement of revenue, expenses and other changes in net assets – modified cash basis for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and net assets of the Nicholls State University Alumni Federation as of June 30, 2010, and its revenue, expenses and other changes in its net assets during the year then ended, on the basis of accounting described in Note 1.

Our audit was performed for the purpose of forming an opinion on the financial statements referred to in the first paragraph taken as a whole. The accompanying graphs, listed as supplemental information in the table of contents, are presented for purposes of additional analysis and are not a required part of the above financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements referred to above; and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the board of directors and management of the Nicholls State University Alumni Federation and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in dark ink, appearing to read "T.S. Kearns & Co.", written over a horizontal line.

December 17, 2010

Nicholls State Univeristy Alumni Federation
Statement of Assets and Net Assets
- Modified Cash Basis
June 30, 2010

ASSETS**CURRENT ASSETS**

Cash & cash equivalents	\$	343,499.50
Cash & cash equivalents - designated		<u>33,514.63</u>
Total Current Assets	\$	<u>377,014.13</u>

NON-CURRENT ASSETS

Furniture, equipment, & improvements, net of accumulated depreciation	\$	<u>2,731.54</u>
Total Non-Current Assets		

TOTAL ASSETS	\$	<u><u>379,745.67</u></u>
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NET ASSETS

Unrestricted:		
Undesignated	\$	339,697.86
Designated (note 4)		<u>40,047.81</u>
Total Net Assets	\$	<u>379,745.67</u>

TOTAL NET ASSETS	\$	<u><u>379,745.67</u></u>
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See accompanying notes and accountant's report.

Nicholls State Univeristy Alumni Federation
Statement of Revenue, Expenses and Other
Changes in Net Assets - Modified Cash Basis
June 30, 2010

REVENUES

Member dues and donations	\$	68,630.00
Homecoming		11,386.15
Annual business meeting		8,025.00
Commssions - Nelnet		734.08
Donated services		140,871.05
Donated occupancy		11,000.00
Student assessments		17,586.05
Interest		4,797.33
Miscellaneous		862.10
		<hr/>
Total revenue & other support	\$	263,891.76

EXPENSES**PROGRAM SERVICES**

Director - travel	\$	1,458.30
Salaries		140,871.05
Public relations & goodwill		10,375.93
Promotional expenditures		1,747.80
Scholarships - Cliff Gresham		1,600.00
Scholarships - Smitty Knobloch		-
Scholarships - Alumni		6,400.00
Scholarships - Top scholar		5,600.00
Student activities		3,408.00
Homecoming		11,977.66
Annual business meeting		9,975.11
Annual meeting awards		3,617.15
Printing - Colonel		7,294.00
Postage - Colonel		6,135.08
Coffee & refreshments		1,506.88
Donations - campus organizations		2,416.50
Dues & subscriptions		2,781.04
		<hr/>
Total program services	\$	217,164.50

See accompanying notes and accountant's report

Nicholls State University Alumni Federation
Statement of Revenue, Expenses and Other
Changes in Net Assets - Modified Cash Basis
June 30, 2010

SUPPORTING SERVICES**GENERAL & ADMINISTRATIVE**

Casual labor	\$ 159.20
Office supplies & maintenance	1,178.15
Alumni house supplies & maintenance	758.39
Telephone	89.28
Professional fees	4,217.25
Equipment expense	3,154.80
Insurance	7,476.05
Bank & VISA fees	1,620.93
Miscellaneous	850.85
Depreciation	1,402.00
Occupancy expenses	11,000.00
Loss on disposal of asset	324.00

MEMBERSHIP DEVELOPMENT

Printing & postage - Dues	<u>21,449.69</u>
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Total supporting services	\$ <u>53,680.59</u>
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Total expenses	\$ <u>270,845.09</u>
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Change in net assets	\$ (6,953.33)
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NET ASSETS AT JUNE 30, 2009	\$ <u>386,699.00</u>
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NET ASSETS AT JUNE 30, 2010	\$ <u><u>379,745.67</u></u>
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See accompanying notes and accountant's report

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

**NOTE 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING
POLICIES**

Nature of organization:

The Nicholls State University Alumni Federation (the Alumni Federation) was organized as a non-profit corporation as defined by Revised Statutes of Louisiana Title 12, Section 101 and is duly inscribed in Book of Charters and Articles of Incorporation No. 4, Page 539, Entry No. 185698. Its object and purpose is to foster, protect, and promote the welfare of Nicholls State University and its alumni.

The significant accounting policies are as follows:

Basis of accounting:

The Alumni Federation's policy is to prepare its financial statements on the modified cash basis of accounting. Using this basis, revenues and other support are recognized when collected rather than when earned or receivable, and expenses are recognized when paid rather than when incurred. Consequently, the financial statements do not include revenue receivable, amounts due vendors, prepaid expenses, nor liabilities for accrued expenses. The statements are considered modified from the pure cash basis of accounting because of the Organization's policy to capitalize depreciable assets as well as to report donated facilities and services.

Method of accounting:

In accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations", the Alumni Federation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and Permanently restricted. Because the financial statements are presented on the cash basis of accounting, the Alumni Federation is not required to present a statement of cash flows.

Contributions:

The Alumni Federation records contributions when they are received.

Furniture, equipment, & improvements:

Furniture, equipment, & improvements are carried at historical cost. Donated assets are valued at estimated market value at the time of donation. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. Assets costing more than \$1,000 are capitalized.

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

Income tax status:

No provision has been made for income taxes in the financial statements. The Alumni Federation is exempt from income tax under section 501(c)(3) of the Internal Revenue Code. This code section enables the Organization to accept donations, which qualify as charitable contributions to the donor.

Use of estimates:

The preparation of financial statements on the cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses:

Expenses are charged directly to program services, general and administrative, or membership development categories based on specific identification. There are no indirect expenses to be allocated.

NOTE 2. CASH AND CASH EQUIVALENTS

In addition to bank accounts, this classification includes all short-term investments such as savings accounts, certificates of deposit maturing in one year or less, and money market accounts. These investments are stated at cost which approximate market.

A schedule of cash and cash equivalents (book balances) follows:

Capital One Bank

Capital One Checking - general (interest bearing)	\$ 7,037
Capital One Checking - student (interest bearing)	17,360
Capital One Tower High Int Sav (interest bearing)	53,831
Certificates of Deposit	107,393

Whitney Bank

Whitney Bank - S Knobloch (interest bearing)	6,533
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Regions Bank

Regions Bank - Colonel's Cab (interest bearing)	716
Certificate of Deposit - Student Assessment	16,155

Iberville Bank

Certificate of Deposit	64,323
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Midsouth Bank

Certificate of Deposit	103,666
	<u>\$ 377,014</u>

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

These deposits are stated at cost, which approximates market.

Statement of Financial Accounting Standards No. 105 identifies deposits maintained at financial institutions in excess of federally insured limits as a concentration of credit risk requiring disclosure, regardless of the degree of risk. At June 30, 2010, the Alumni had \$ 377,831 in deposits (collected bank balance). All of which are secured from risk by FDIC federal deposit insurance. There are no securities pledged on these accounts by the fiscal agent bank.

The cash & cash equivalents - designated amount is made up of the student assessment checking account, the Regions CD and the S. Knobloch account. Further description for these designations can be found in Note 4.

NOTE 3. FURNITURE, EQUIPMENT, & IMPROVEMENTS

Furniture, equipment and improvements consist of the following:

	Balance 6/30/2009	Additions	Deletions	Balance 6/30/2010
Furniture & Fixtures	\$16,818.87	\$ -	\$ -	\$16,818.87
Equipment	12,762.57	-	(6,793.00)	6,134.57
Leasehold Improvements	33,818.03	-	(3,600.00)	30,218.03
	63,564.47	-	(10,393.00)	53,171.47
Less: Accumulated Depreciation	(59,106.93)	(1,402.00)	10,069.00	(50,439.93)
Totals	<u>\$ 4,457.54</u>	<u>\$(1,403.00)</u>	<u>\$ (324.00)</u>	<u>\$ 2,731.54</u>

During the year, \$10,393 of assets were removed. These assets were disposed of in the current fiscal year.

NOTE 4. UNRESTRICTED NET ASSETS DESIGNATED FOR A SPECIFIC PURPOSE

Net assets include \$40,047.81 in unrestricted assets, which have been designated by the board for a specific purpose. These assets have been obtained through student self assessment, and by donors, and are to be used exclusively for scholarships and student activities.

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE 5. MEMBERSHIP DUES

The Alumni Federation charges dues to be a member of the federation. Dues are determined by the various levels of membership. These levels of membership are: single dues (\$25), dues for a married couple (\$40), dues for a recent graduate (\$15), and colonel cabinet. To be a member of the Colonel Cabinet, members have to pay \$50 in addition to their regular membership dues.

NOTE 6. STUDENT ASSESSMENTS

The Alumni Federation receives student assessment revenue from Nicholls State University. The Alumni Federation's board has designated these funds for activities that will benefit the student body such as scholarships and other activities that the Alumni Federation sponsors on campus.

NOTE 7. PROGRAM SERVICES

The Alumni Federation provides program services that benefit both its alumni and current Nicholls State University students. The major program services of the Alumni Federation is to foster, protect, and promote the welfare of Nicholls State University, to establish a mutually beneficial relationship between the University and its Alumni. The Alumni Federations major focus is on scholarships, homecoming activities, and annual business meeting.

The Alumni Federation awards scholarships to current Nicholls State University students. The funds for these scholarships come from donors requesting scholarships named for a specific person as well as from general funds.

Homecoming activities are centered on the Nicholls State University's homecoming football game. Some of the activities that the Alumni Federation provides are the homecoming golf tournament, tennis tournament, buffet, and selling t-shirts. To participate in these activities, participants are charged fees to help offset the costs.

The Alumni Federation also provides for an annual business meeting. This meeting is centered around a "crawfish boil" and its board of directors is chosen. The Alumni Federation sells tickets to attend this meeting to help offset the costs.

NOTE 8. DONATED SERVICES AND FACILITIES

The Alumni Federation receives donated services from Nicholls State University in the form of a full-time executive director, assistant director, and secretary. Nicholls State University has estimated the approximate cost of providing the donated services to be \$140,871.05 and it is included in contributions and expenses in the statement of support, revenue, and expenses and changes in net assets.

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

The Alumni Federation also occupies office space on the campus of Nicholls State University. The University does not charge the Alumni Federation for this space. Nicholls State University has estimated the approximate fair value of the annual rental to be \$11,000 and it is included in contributions and expenses in the statement of support, revenue, and expenses and changes in net assets.

NOTE 9. RISK MANAGEMENT

The Alumni Federation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters. The Alumni Federation has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. No settlements were made during the current or prior three fiscal years that exceeded the Alumni Federation's insurance coverage.

NOTE 10. LITIGATION AND CLAIMS

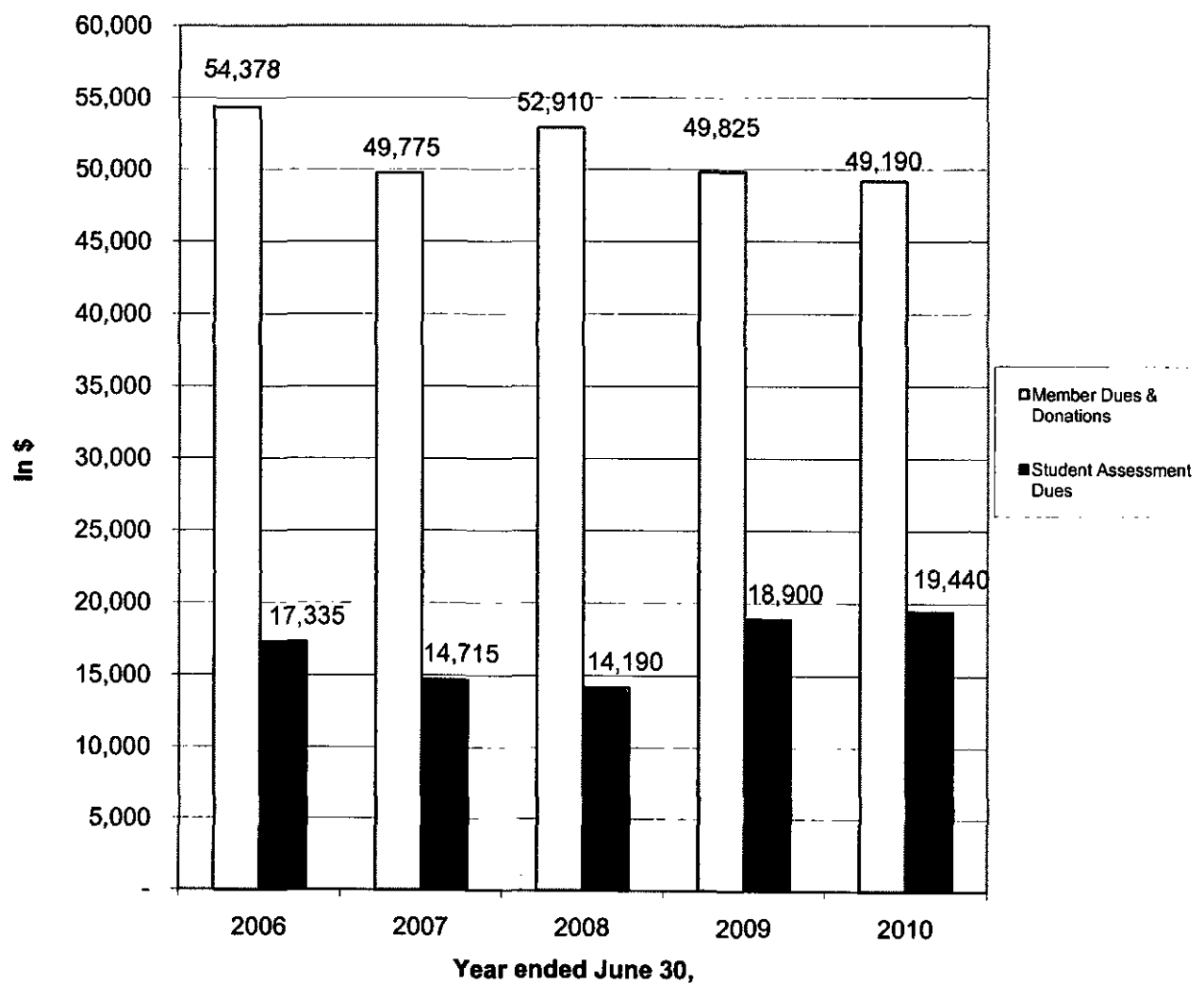
At June 30, 2010, the Alumni Federation had no litigation or claims pending.

SUPPLEMENTAL INFORMATION

Graphs

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION Dues & Donations Revenue Comparison

For the Year Ended June 30, 2010
With Comparative Totals for the Years Ended June 30, 2006, 2007, 2008 and 2009

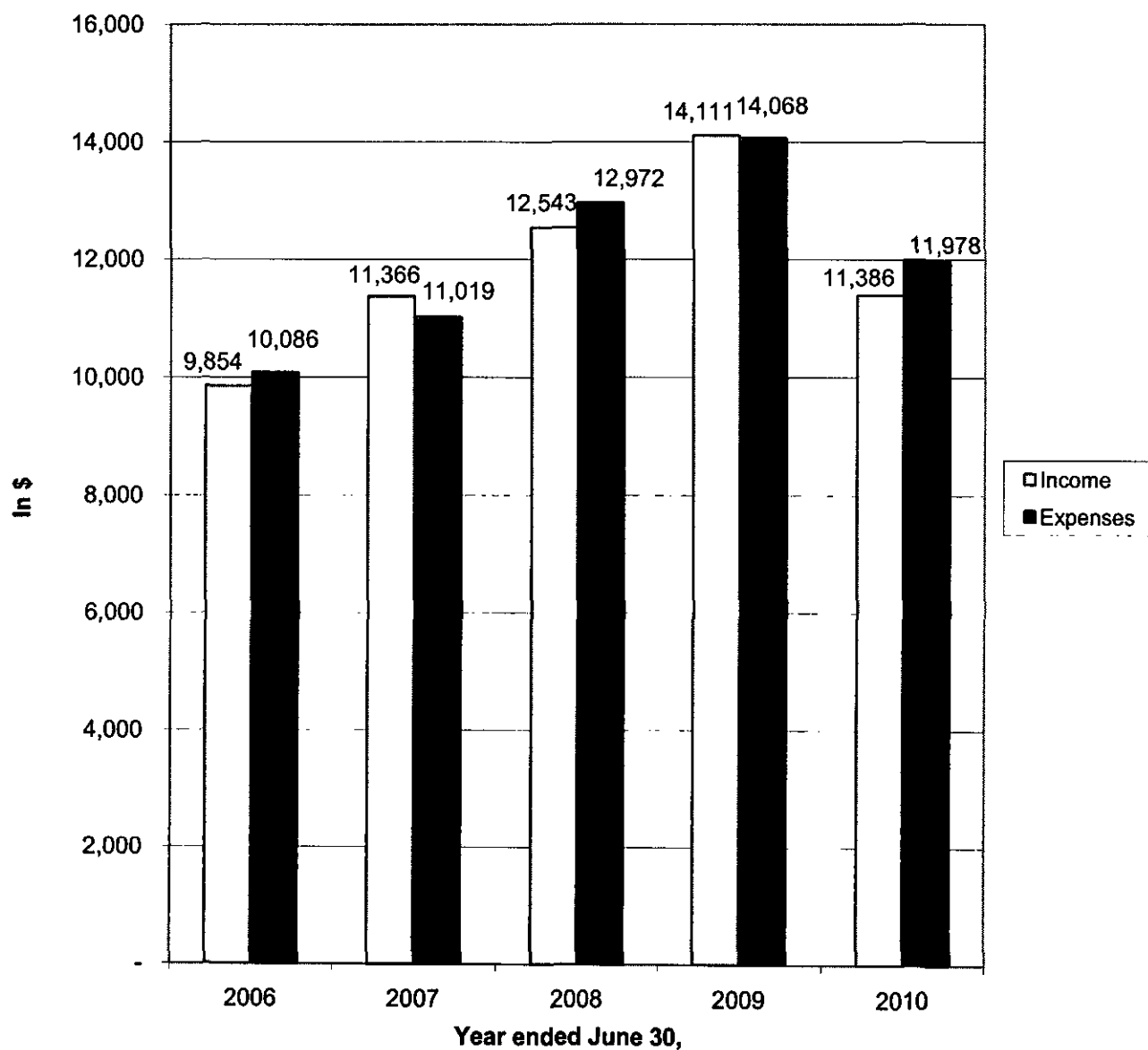


See accountant's report.

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION

Homecoming Income & Expense Comparison

For the Year Ended June 30, 2010
With Comparative Totals for the Years Ended June 30, 2006, 2007, 2008 and 2009

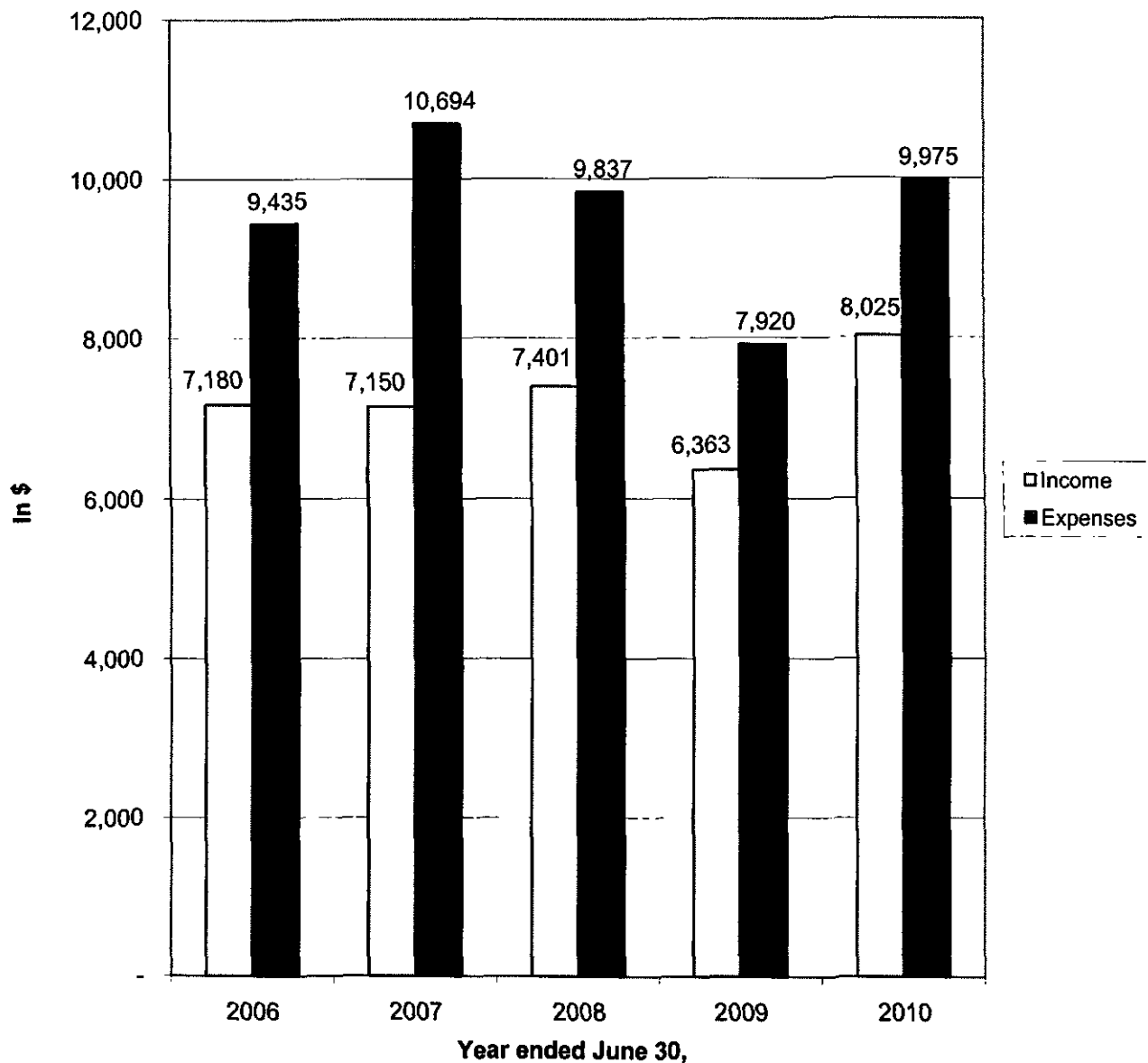


See accountant's report.

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION

Annual Business Meeting Income & Expense Comparison

For the Year Ended June 30, 2010
With Comparative Totals for the Years Ended June 30, 2006, 2007, 2008 and 2009



See accountant's report.